

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 02 HO CHI MINH CITY 001035

SIPDIS

STATE FOR EB/TPP/MTA/IPC AND EAP/BCTLV
STATE ALSO PASS USTR BURCKY/ALAVAREZ AND BRYAN
STATE ALSO PASS USPTO FOR URBAN AND FOWLER
STATE ALSO PASS LIBRARY OF CONGRESS FOR TEPP
USDOC FOR LASHLEY AND 4431/MAC/AP/OPB/VLC/HPPHO

1E. O. 12958: N/A

TAGS: [VM](#) [ETRD](#) [ECON](#) [KIPR](#) [IPROP](#)

SUBJECT: 145,000 PIRATED DISCS/TAPES CONFISCATED IN HO CHI MINH CITY - WHAT'S NEXT?

11. Summary: Ho Chi Minh City's thriving trade in pirated media took a hit at the end of September when inspectors from the city's Department of Culture and Information (DCI) raided a large wholesale/retail shop where they confiscated over one hundred thousand pirated CDs, DVDs, VCDs, and videotapes. Whether this will make much of a difference, how the authorities targeted the shop, and what will happen to the owner remain a mystery. In a stiff, formal meeting between Econoff and DCI officials, they offered little context for the raid other than their claim that this was not an isolated enforcement action. In fact one local official claimed HCMC authorities have confiscated over 700,000 discs thus far this year. Up to now, however, there has been no visible impact on other shops selling pirated CDs and DVDs here. End Summary.

Possible Prosecutions, No One Detained Yet

12. Media reports stated that inspectors from the Ho Chi Minh City Department of Culture and Information raided an optical media shop on September 27 and confiscated over 100,000 items. These reports characterized this raid as the largest in the city's history and part of an ongoing and concerted campaign to cut local stocks of pirated discs in half by year's end. Some newspaper reports stated that the shop had been operating under the protection of a local police officer that happened to be the brother of the shop owner.

13. Econoff met with Deputy Director Nguyen Thanh Tan of the Department of Culture and Information to learn more about the action and praise this recent episode of enforcement. Deputy Director Tan noted that the raid netted 145,000 pirated units. The majority of the discs were Vietnamese music CDs rather than foreign music or movie titles. Inspectors concluded the store was a retailer of pirated discs, as well as a storage and distribution center serving other retailers. Mr. Tan said his office turned over the findings of its investigation to the police. Given the sheer number of discs and tapes involved, he expects the shop owner will face prosecution. Local press has reported that, according to the department's Acting Chief Inspector, those involved will be brought to trial. At present, however, the shop owner is free and will remain so pending the police review of the case and a decision on whether to bring charges. Mr. Tan also said the authorities are interested in two other individuals associated with the case, though he did not elaborate on their relationship to the shop owner.

Why this Shop?

14. Econoff asked Mr. Tan how the shop was identified and targeted, pointing out that pirated discs are openly sold throughout HCMC. Tan sidestepped the question, however, explaining that his office's "Research Section" identified the shop and placed it under surveillance for over a week, after which his inspectors conducted the raid. What brought the shop to the attention of the authorities remains unknown. He denied any knowledge that local police were protecting the shop.

15. Other press accounts report that the department would target two production facilities in the future. The Deputy Director, while agreeing with Econoff that producers were the most important link in the chain, would not elaborate on any possible new raids. He did repeatedly emphasize, however, that this raid was not some isolated incident but just one of many actions carried out by his inspectors as part of their ongoing campaign against pirated discs. He even disputed headlines in local papers that dubbed this raid as the largest to date. Tan said that equally large hauls of contraband goods had been taken in the past. He seemed at pains to convey the impression that local authorities are fully engaged in the effort to control IPR violators and not just conducting a raid here and there for show. In a follow-up conversation one DCI official stated that various authorities in HCMC have confiscated over 700,000 discs thus far this year.

Why Act Alone?

16. The Department of Culture and Information is one of several local agencies that have authority to work in IPR enforcement. The DCI is more typically known for its role in licensing all cultural events and performances as well as publications. These

are the folks that censor publications and keep porn and politics out of the bookshops. Recent press accounts of anti-piracy activities have referred to Team 814, an inter-agency group working against piracy in HCMC. Tan listed his organization, the city's Trade Office, the Market Management Board, tourism authorities, city police, and the Department of Labor, Invalids and Social Affairs as members of Team 814. The raid involved about 10 inspectors from the Culture and Information Service but no other participants. The Deputy Director did not elaborate on why that was the case, except to say that they had a small time window to conduct the raid, thus bringing in other agencies was not feasible.

Not Invited

17. As for the fate of the confiscated discs, Tan told Econoff they would be burned or crushed under the wheel of a steamroller by the end of the month. He added that authorities would destroy discs from this raid with discs confiscated in other actions, maybe as many as a million in all. When Econoff told Tan he would be very interested in attending the destruction of the discs, Tan chuckled and responded that such events were always televised and Econoff could watch it on TV.

Comment

18. Taking 145,000 pirated discs off the streets of HCMC, while certainly a positive move, is probably a drop in the bucket, and pirated CDs and DVDs are still openly sold throughout the city. Up to now, raids on shops selling illegal discs meant perhaps the loss of some merchandise, small fines, and a temporary closing. Most shops operate untouched. If local authorities really want to stamp out the problem they will need to take aim at bigger fish and follow through with real penalties.

19. While DCI officials declined to offer much background information about the raid or their future plans, the local press has offered fairly broad coverage. Vietnamese newspaper reports credit the authorities with identifying two production centers and claim that four or five "giant" suppliers serve the city's disc shops. If the newspapers are correct, we hope the authorities will quickly move from "identify" and "suspect" to enforcement actions. In the most recent case, as with the problem as a whole, the raids are an important beginning, but more will be needed for a lasting impact.

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